"Government's handling of GATT negotiations criticised" about a study undertaken by the National Working Group of eminent jurists;

(b) if so, whether the said study has been made on the direct and inevitable effect of the GATT/World Trade Organisation dispensation affecting the right to livelihood, the rights of farmers, the right to health and cheap medicine and also of economic sovereignty loss and threat to federalism in the set up of Indian administration; and

(c) if so, the reaction of the Government on each aspect and the recommendations?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) In the study referred to in the question, opinions have been expressed by the authors about the likely socio-economic implications of the Agreements reached under the Uruguay Round of Multilateral Trade Negotiations under the GATT. These include:

(i) the Final Act intrudes extensively in every aspect of the domestic economy;

(ii) the Government of India lacked the support of the rest of the developing world;

(iii) the new imperative of globalisation at all costs has been invoked to make the signing of the Final Act a virtual fait accompli. Yet even after signing the Final Act, India still remains isolated and is the only major industrial power which will not be part of any regional bloc, in the aftermath of the Uruguay Round;

(iv) the adverse effects on domestic agriculture and the pharmaceutical industry are inescapable; and

(v) the Union Parliament and the State legislatures have been ousted of their legislative sovereignty.

(c) India was a Contracting Party to GATT 1947, and after taking into consideration all aspects of the Uruguay Round Agreements and after consulations with State Governments and extensive public debate on various facets of the Dunkel Proposals leading upto the Final Act, India ratified the Agreement Establishing the World Trade Organisation (WTO) alongwith the multilateral Trade Agreements prior to the date of entry into force of the WTO Agreement to became a founder member of the WTO. The acceptance of the Uruguay Round Agreement does not involve surrender of sovereignty.

Membership of the WTO would ensure that India's external trade takes place in the context of a rule based multilateral trading system which provides for stability, predictability and non-discrimination in international trade. India expects to be able to expand its exports of goods and services substantially under this system.

Given the short period of operation of the WTO, it is difficult to assess how well the rules of the system will protect India's particular trading interests, and will depend upon how effective the enforcement of those rules will be in practice. In evaluating for India the balance of benefits and costs of this global trading system, it is also important to bear in mind that all the factors which had limited the realisation of India's trade potential have not been removed with the single stroke of the establishment of the WTO, and that the outcome of negotiations of global trading rules in future will depend, inter alia, upon India's leverage in multilateral negotiations. In forging international or multilateral trade agreements, the interests of India's agriculture, leading sectors of industry and our genetic resources would continue to be protected.

Assistance to States By SIDBI

2026 SHRI SARAT PATTANAYAK : Will the Minister of FINANCE be pleased to state:

(a) the amount of assistance provided by Small Industries Development Bank of India during each of the last three years, State-wise;

(b) whether the Government propose to widen its capital base; and

(c) if so, the details thereof ?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) As per information provided by the Small Industries Development Bank of India (SIDBI), the assistance disbursed during 1993-94, 1994-95 and 1995-96 State-wise is given in the attached statement.

(b) No such proposal is under consideration of Government at present.

(c) Does not arise.

STATEMENT

Small Industries Development Bank of India State/Union-Terrirory Wise Assistance

Rs. Crore

	Disbursements under all schemes		
	1993-94	1994-95	1995-96
1	2	3	4
EASTERN REGION			
Bihar	9.34	17.22	51.95
Orissa	29.31	29.40	53.35
Sikkim	0.39	0.44	1.86
West Bengal	85.47	100.42	157.84
Andaman & Nicobar Islands	0.08	0.08	0.00
Total	121.59	147.56	265.00

1	2	3	4
NORTH EASTERN REGION			
Arunachal Pradesh	0.84	0.43	1.05
Assam	11.20	3.55	17.85
Manipur	1.05	0.20	2.30
Meghalaya	2.44	2.04	1.97
Mizoram	0.16	0.10	0.43
Nagaland	0.40	0.03	1.13
Tripura	0.64	1.08	3.40
Total	16.73	7.43	28.13
NORTHERN REGION			
Haryana	126.03	128.54	280.85
Himachal Pradesh	17.35	10.01	32.51
Jammu & Kashmir	2.71	3.10	9.85
Punjab	92.56	107.32	218.70
Rajasthan	95.47	121.47	195.52
Uttar Pradesh	160.80	184.91	434.14
Chandigarh	2.36	0.83	7.64
NCT of Delhi	214.94	428.36	211.17
Total	712.22	984.54	1390.38
WESTERN REGION			
Goa	22.05	18.38	31.82
Gujarat	80.43	935.63	514.76
Madhya Pradesh	88.24	103.23	153.03
Maharashtra	435.23	559.37	750.71
Dadra & Nagar Haveli	0.48	0.54	1.77
Daman & Diu	1.08	3.64	2.53
Total	927.51	1122.14	1454.62
SOUTHERN REGION			
Andhra Pradesh	111.78	149.18	258.41
Karnataka	281.40	286.00	488.29
Kerala	100.24	129.34	187.52
Tamil Nadu	358.04	503.95	694.63
Lakshadweep	0.00	0.00	0.00
Pondicherry	4.31	1.58	3.31
Total	855.77	1070.05	1632.16
GRAND TOTAL	2636.82	3331.72	4770.29

Corporate Tax

2027. SHRI ANANTH KUMAR :
SHRI ANAND RATNA MAURYA :
SHRI RAJIV PRATAP RUDY :
SHRI K.C. KONDAIAH :

Will the Minister of FINANCE be pleased to state:

(a) whether some companies have been paying dividends to their share-holders without paying the corporate tax due to a large number of tax exemptions available to them:

(b) if so, the details thereof:

(c) whether the Government propose to charge a minimum corporate tax from such companies:

(d) if so, the details thereof; and

(e) the likely goal to be achieved by introduction of this scheme?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b). Yes, Sir. A sample study conducted by the Income Tax Department has shown that threre are some companies which have been paying dividends to their share-holders without paying the corporate tax due to a large number of exemptions, deductions and incentives available to them under the provisions of Income Tax Act. Complete details of such zero tax companies are, however, not maintained by the Income Tax Department.

(c) and (d). The Finance (No.2) Bill 1996, introduced in the Lok Sabha on 22nd July, 1996 contains a proposal for levy of a 'Minimum Alternate Tax' (MAT) on companies. In a case where the total income of the Company, as computed under the Income Tax Act after availing of all eligible deductions is less than 30% of the book profit, the total income of such a Company shall be deemed to be 30% of the book profit and shall be charged to tax accordingly. Companies engaged in the power and infrastructure sector will, however, be exempted from the levy of MAT.

(e) The minimum Alternate Tax has been proposed with a view to levy some tax on those companies which are earning substantial book profit and are paying handsome dividends but are not contributing to the Exchequer.

Interest Rates on T.D.

2028. SHRI MOHAN RAWALE : Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has given a free hand to the scheduled commercial banks in the country to fix any rate of interest on term deposits above one year duration;

(b) if so, the details thereof;

(c) whether the foreign banks operating in the country have started to attract depositors by increasing interest rates on such deposits w.e.f. July 2,1996;

(d) if so, the details thereof and its impacts on the deposits to be mobilised by the Indian Banks; and

(e) the reaction of the Government thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Reserve Bank of India (RBI) have reported that